

CENTRAL INTELLIGENCE AGENCY
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INTELLIGENCE MEMORANDUM

The Philippines: Current Political Situation

The 1980s will be a testing time for the regime of President Marcos, which has been in power since 1965. In the midst of a difficult economic situation, he faces the increasing possibility his political opponents will become more vocal and defiant, as popular disillusionment with his rule spreads. []

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This does not necessarily mean that Marcos is in imminent danger of being ousted, but rather that continued stability cannot automatically be taken for granted. Increasing numbers of Filipinos question his competence and criticize government corruption and inefficiency. Rumors of his ill health add to the air of uncertainty. Concern over the role of the President's wife, Imelda, who considers herself the heir apparent, also fuels speculation over the future of the Marcos regime. []

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On 30 January, Marcos held elections for local and provincial offices. No major display of antigovernment sentiment occurred, but the opposition has tried to capitalize

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This paper, based on information as of 4 April 1980, was prepared by [] East Asia Pacific Division, Office of Political Analysis, for Treasury Department delegation to Asian Development Bank meeting. It was coordinated with the Office of Economic Research and the Office of Strategic Research. Comments and queries should be addressed to the Chief of the Southeast Asia Branch, OPA, []

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on its modest victories, particularly in the southern Philippines. Continued disarray among the opposition, caused by an inability to compose personal jealousies and rivalries, undermines such attempts. Marcos' arch-political rival, former Senator Benigno Aquino, is the only man capable of imparting some leadership to the opposition, but he remains in prison despite recurring rumors about a possible deal between himself and Marcos. []

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For his part, Marcos concentrates on keeping his inner circle united behind him and avoiding any precipitate actions that might give the impression that he was losing his grip. His eleventh hour cancellation of Chilean President Pinochet's visit to the Philippines on 22 March, for example, apparently stemmed from Marcos' belief that labor and radical student groups, probably supported by vocal members of the Catholic church, were planning large-scale demonstrations to protest Pinochet's visit. Marcos feared such protests might result in bloody street-fighting between the demonstrators and anti-riot forces which could spark more general antigovernment protests. []

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In addition to these concerns, Marcos also faces a dramatic upsurge in Muslim rebel activity in the southern Philippines. [] observers describe the situation as more serious than at any time since 1974, and estimate that it will take at least six months to stabilize the situation. Terrorist violence in urban areas in Mindanao has claimed nearly 500 civilian casualties. The increased level of rebel activity does not threaten the government, but it represents an economic and military burden. Manila has been forced to send large numbers of troops, many of them inexperienced, to the insurgent areas. The situation would be more serious if Communist guerrillas active in other areas of the Philippines decided to take advantage of government preoccupation with the south by dramatically increasing their own military activity. []

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Marcos, like other ASEAN* leaders, also faces potential threats to regional security stemming from Vietnamese action in Indochina. The Soviet invasion of Afghanistan and the Vietnamese threat have impelled Southeast Asian leaders to

*Association of Southeast Asian Nations--Malaysia, Singapore, Thailand, Indonesia, and the Philippines.

reassess their defense needs and to take an even sharper look at actions and policies that affect them. President Marcos is acutely sensitive to US actions regarding the 7 January 1979 amendment to the Military Bases Agreement, which went some distance in meeting Philippine national concerns over the use of the bases facilities. The Administration pledged its best effort to obtain appropriations for security assistance totalling \$500 million over a five-year period. Senior Philippine officials have already voiced their dissatisfaction with a proposed \$5 million cut in Foreign Military Sales (FMS) credits recommended by the House East Asia Subcommittee for FY 1981. Marcos has not commented on this issue, but the implications of remarks in recent public speeches show it is clearly on his mind. [redacted]

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Marcos will visit Hawaii from 19 to 26 April to address the American Newspaper Publishers' Association. He will undoubtedly use this opportunity to state his views on the US-Philippine relationship and the challenges posed by recent international developments. During his stay in Honolulu, Marcos will discuss the question of FMS financing of foreign-manufactured military equipment with senior US military officials. [redacted]

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